

Guidelines for the Phase-Out of Coal and Unconventional Oil & Gas Related Industries of O-Bank Co., Ltd.

Article 1 Purpose

In order to implement sustainable finance development and avoid investing in high climate risks industries, the phase-out guidelines is hereby drawn up for corporate credit and investment cases of specified coal (Note 1) and unconventional oil & gas related industries.

Article 2 Scope of application

Corporate credit (including corporate lending and project finance) and banking book investment of O-Bank globally.

Article 3 Current banned counterparties

Enterprises that derive more than 50% of their operating revenues from specified types of coal or unconventional oil & gas, unless such funds are used for sustainable development or transformation purposes (Note 2):

Number	Business	Statement of banned business behavior
1	Electricity supply	Enterprises that derive more than 50% of their operating revenues from electricity supply that engage in specified coal, unless the funds thereof are used for sustainable development purposes
2	Quarrying of stone, sand, clay and other mining	Enterprises that derive more than 50% of their operating revenues from mining activities that engage in specified coal extraction, unless the funds thereof are used for sustainable development purposes
3	Extraction of crude petroleum and natural gas, gas supply, or wholesale of liquid, gaseous fuels and related products	Enterprises that derive more than 50% of their operating revenues from engagement by oil and natural gas enterprises in exploration, extraction, preliminary treatment, and preparation of unconventional oil and gas (Note 3)(such as tar sands, shale oil and gas, arctic oil

		& gas, liquified natural gas derived by non-conventional extractions, ultra-deep-water oil & gas and etc.); engagement by gas supply in the manufacture of gas fuels, and the supply of gas fuels to users either via pipelines or through its bottling in liquid form; and the wholesale of liquid, gaseous fuels and related products, unless the funds thereof are used for sustainable development purposes
4	Land transport, water transport, air transport, or freight transportation forwarding services	Enterprises that derive more than 50% of their operating revenues from the scheduled or unscheduled transport of specified coals using all types of conveyances, unless the funds thereof are used for sustainable development purposes
5	Harbor service	Enterprises that derive more than 50% of their operating revenues from specified coal-related harbor, wharf, dock, lighthouse, and channel management, unless the funds thereof are used for sustainable development purposes
6	Manufacturers of petroleum and coal products	Enterprises that derive more than 50% of their operating revenues from production of semi-coke, coke, coal tar, etc, unless the funds thereof are used for sustainable development purposes

Article 4 Measures

1. From 2030 forward, O-Bank will no longer provide new loans and investments in new business (including for new projects and existing projects) to all enterprises that engage in extraction and production of fossil fuel and coal and coal-fired electricity, including but not limited to the following:
 - (1) Thermal coal.
 - (2) Fuel from liquified coal.

- (3) Coal mining.
 - (4) Mountaintop removal mining.
 - (5) Power from coal.
 - (6) Oil from tar sands.
 - (7) Oil and gas from shale.
 - (8) Arctic oil and gas.
 - (9) Ultra-deepwater oil and gas.
 - (10) Fracked oil and gas.
 - (11) Liquefied natural gas.
2. O-Bank will withdraw by 2035 from related sectors as mentioned below, including the following:
 - (1) Enterprises that engage in specified types of coal mining, electric power enterprises that supply coal-fired electricity, and infrastructure projects related to specified types of coal mining.
 - (2) Sectors and related infrastructure projects that involve tar sands, shale oil and gas, arctic oil and gas, ultra-deep-water oil and gas, and non-traditional extraction of liquefied natural gas.
 3. To achieve the goal of withdrawn by 2035 from related sectors as mentioned above, O-Bank will annually track down the balance of investment and loan activities to ensure the accomplishment of our exclusion policies of coal, oil and gas related industries.

Article 5 Other provisions

Any matters not set forth herein shall be governed by O-Bank's "Guidelines for Promoting Sustainability of Corporate Loan", "Financial Transaction Manual", "Equity Transaction Manual of Financial Transaction Department" and related regulations.

- *Note 1: The term "specified coal" means "thermal coal" and does not include "coking coal."*
- *Note 2: The term "sustainable development purposes" means companies/projects have time-bound transition plans and targets, and already commit to SBTi (Science Based Targets initiatives).*
- *Note 3: The term "unconventional oil and gas" means oil and gas that are produced or extracted using unconventional technologies, such as shale oil and gas, tar sands, arctic oil & gas, liquefied natural gas derived by non-conventional extractions, ultra-deep-water oil & gas, tight-sands gas, and methane gas.*